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December 8, 2006

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Hon. James H. Welsh
Commissioner of Conservation
617 N. Third Street, 9th Floor
Baton Rouge, Louisiana 70802

Re: O Zone, Reservoir B,
Gibson Field, Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of St. Mary Land & Exploration Company to the Commissioner of Conservation for the calling of a public hearing, after legal notice, pertaining to the following matters relative to the O Zone, Reservoir B, Gibson Field, Terrebonne Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the O Zone, Reservoir B, Gibson Field, Terrebonne Parish, Louisiana;
2. To create a single drilling and production unit for the O Zone, Reservoir B, Gibson Field, Terrebonne Parish, Louisiana, designated as the O RB SUA, as shown on the plat attached hereto;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created on a surface acreage basis of participation;
4. To allow the Commissioner of Conservation to reclassify the reservoir by supplemental order, without the necessity of a public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
5. To consider such other matters as may be pertinent to the O Zone, Reservoir B, Gibson Field, Terrebonne Parish, Louisiana.

The O Zone, Reservoir B, in the Gibson Field, Terrebonne Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the measured depths of 8,380 feet and 8,800 feet (electrical log measurements) in the Shell Oil Company - Realty Operators B No. 10 Well, located in Section 14, Township 17 South, Range 15 East, Terrebonne Parish, Louisiana.

No request for the pre-application conference was received, and accordingly IT WILL NOT BE HELD. No opposition is expected at the hearing on this matter.

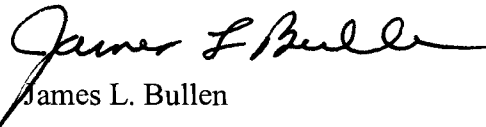
In addition to furnishing the legal notice to all Interested Owners, Represented Parties and Interested Parties, the applicant will provide for posting of the legal notice and unit plat in a prominent place in the area of Gibson Field. Additionally, the legal notice will be published in a newspaper of general circulation in the vicinity of Gibson Field at least fifteen (15) days before the hearing date.

All pertinent data relating to this proposed application may be obtained **AT THE COST OF THE REQUESTING PARTY** from James F. Hardwick & Associates, P. O. Box 80972, Lafayette, Louisiana, 70598-0972, (337) 232-7756.

Enclosed to the Commissioner of Conservation and District Manager **ONLY** is a list of Interested Owners, Interested Parties and Represented Parties to whom a copy of this notice is being sent. Copies of this list will be provided upon request. Also enclosed is a copy of the plat showing the proposed unit. A reasonable effort has been made to ascertain the names and addresses of all Interested Owners, Interested Parties or Represented Parties. Also enclosed is our check payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

STRAIN, DENNIS & BATES, L.L.P.


James L. Bullen

JLB/lbb
encls.

cc: Mr. Richard Hudson
District Manager

Interested Owners, Represented Parties and Interested Parties

